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August 17, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Sandwich Isles Communications, Inc. Petition for Declaratory Ruling
WC Docket No. 09-133

Response to Hawaiian Telcom, Inc. Letter of August 11, 2010

Dear Ms. Dortch:

Sandwich Isles Communications, Inc. ("SIC"), through its undersigned counsel, hereby provides certain information to clarify the record in response to the letter filed by Hawaiian Telcom, Inc. ("HTI") on August 11, 2010 ("August 11 Letter").¹

I. Three Undersea Cables Serve Hawaii's Intrastate Needs

On July 30, 2010, SIC filed a letter in this proceeding ("July 30 Letter") noting that there had been a failure in one of the three undersea cables connecting the major Hawaiian Islands, and that as a result of this catastrophic failure, as much as one third of the broadband and telecommunications services for Hawaii had been transferred, on an immediate basis, to the Paniolo Cable.²

In HTI's August 11 Letter, HTI takes exception with SIC's representation that there are three undersea cables providing intrastate service in Hawaii, noting that the Southern Cross undersea cable runs from Australia to Oregon and California, and transits Hawaii.

¹ Letter from Suzanne Yelen, Counsel to Hawaiian Telcom, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 09-133 (filed Aug. 11, 2010).

² See Letter from Dana Frix, *et. al.*, Counsel to Sandwich Isles Communications, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 09-133 (filed July 30, 2010).

HTI is correct, though its point is irrelevant, if not misleading, and has nothing whatsoever to do with the question in this case. This proceeding involves the question of whether there is sufficient and reliable undersea cable service *within* Hawaii absent the Paniolo Cable. There clearly is not, for the Southern Cross cable would not have solved the problem which led Oceanic Time Warner Cable ("Oceanic") to request emergency restoration service from SIC over the Paniolo Cable. (Oceanic is the dominant cable television provider in Hawaii. It also provides substantial telephone and internet access services.)

As both SIC and the National Exchange Carrier Association have explained,³ there are three undersea cables providing intrastate service within Hawaii: the Paniolo Cable, which is leased and operated by SIC; the HTI cable built in 1994; and the cable which is jointly owned and used by tw telecom and Wavecom. (Upon information and belief, it appears that tw telecom is the primary owner and that Wavecom has an ownership interest in some substantial amount of the fibers on the cable. Oceanic, which is no longer related to tw telecom, is a customer of tw telecom.)⁴

There is no dispute as to what occurred. The TW Telecom Cable suffered an outage. The traffic of tw telecom and Wavecom was moved to the HTI cable, but tw telecom advised Oceanic that the HTI cable did not have enough capacity to serve Oceanic's needs, necessitating transfer of Oceanic's traffic to the Paniolo Cable.

SIC's July 30 Letter clearly states that Oceanic's traffic was moved to the Paniolo Cable, and thus there was no confusion to be corrected by HTI.

II. The TW Telecom Cable Outage– Paniolo Cable Capacity Was Necessary

Attached hereto are letters from both tw telecom and Oceanic documenting the need for capacity on the Paniolo Cable, which was underscored by the recent outage. tw telecom explains that while it, like Wavecom, was able transfer its service to the HTI cable, ***there was insufficient capacity to handle Oceanic's traffic***. Oceanic required 70 Gigabits of capacity, which is equivalent to at least six OC-192s. This was and remains substantially above the capacity available on the HTI cable.

Oceanic is a broadband service provider. This incident highlights the fact that broadband services require extensive (and sometimes surprising) amounts of bandwidth, even without taking into account the explosive growth that will be required for the new broadband services that are arriving each day.

³ Comments of the National Exchange Carrier Association, WC Docket No. 09-133 (Aug. 31, 2009) at 21.

⁴ SIC previously referred to this as the Wavecom cable because the cable was originally developed by Wavecom, but for accuracy, refers to it here as the "TW Telecom Cable."

It has been suggested in this case that Hawaii should have been content with a minor amount of bandwidth on the existing (and aging) undersea cables and that there was no need for SIC to have caused the construction of the Paniolo Cable. Unfortunately, the current circumstances prove this to be an incorrect– and dangerous– assumption.

With regard to SIC, both the State of Hawaii and the FCC authorized, over HTI's objections, SIC to build a high speed, all-fiber intrastate network in Hawaii, including an undersea cable, because HTI proved that it was unable or unwilling to serve the Hawaiian Homelands. HTI has never accepted this decision and indeed the FCC has before it an appeal by HTI of the most recent SIC study area waiver decision.⁵

Importantly, however, HTI never sought or obtained a stay of the study area waiver decision, and therefore HTI's correspondence in this proceeding should be evaluated for what it really is: *an effort to use this proceeding to limit SIC from obtaining funding for a network that was authorized and has been constructed and placed into service.*

Should additional information be necessary in connection with this matter, please do not hesitate to contact the undersigned.

Respectfully submitted,



Dana Frix
James A. Stenger
Megan E.L. Strand

Counsel to Sandwich Isles Communications, Inc.

Attachment A: Letter from tw telecom
Attachment B: Letter from Oceanic Time Warner Cable

cc: Edward Lazarus, Esq.
Austin Schlick, Esq.
Pamela Arluk, Esq.
Suzanne Yelen, Esq., Counsel to Hawaiian Telcom, Inc.
Gregory Vogt, Esq., Counsel to NECA

⁵ *In the Matter of Sandwich Isles Communications*, 20 FCC Rcd 8999 (May 16, 2005); *see also* Hawaiian Telcom Communications, Inc. Application for Review, CC Docket No. 96-45 (filed June 15, 2005).

ATTACHMENT A

Letter from tw telecom



August 12, 2010

Mr. Al Hee
President
Waimana Enterprises

Dear Al,

Thank you for your time on the phone today. This letter will recap our phone discussion of this morning.

Yes we have a reciprocal agreement with the state's Local Exchange Carrier. The agreement provides us with emergency fiber connectivity to restore an inter-island path. We are currently using it and the maximum capacity on the connection was sufficient for tw telecom's traffic. We believed after restoration that we had some extra capacity. I did call TW Cable to offer that as they are a customer of ours and I spoke to Lance Uno. He told me that the OC48 that we offered was insufficient to meet their needs. He informed me that they would need 70 Gigabits of capacity. At that point I informed him that we could not support their needs until our fiber system was repaired and back in operation. My understanding is that they contacted Sandwich Islands at that time to see if capacity was available.

Please let me know if you have any questions about this information. Thank you once again for the time on the telephone today.

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Miyake".

Cliff Miyake
VP and General Manager
tw telecom

ATTACHMENT B

Letter from Oceanic Time Warner Cable



August 12, 2010

RECEIVED

AUG 16 2010

BY: _____

Mr. Al Hee – President
Sandwich Isles Communications
1001 Bishop Street Pauahi Tower 27th Floor
Honolulu, Hawaii 96813

Re: Fiber Break

Dear Mr. Hee,

On July 27, 2010 at 1:10 am Oceanic Cable experienced a catastrophic failure of the connection between the Island of Oahu and the Islands of Maui and Hawaii (the Big Island). Later in the early morning hours it was determined that this catastrophic condition was attributable to the undersea connection (the fiber cable) having been severed in some as yet undetermined manner.

Oceanic began to seek remedies to bypass this severed portion of the first by routing the services from Oahu through Los Angeles and back to the Big Island then to Maui. While a limited amount of bandwidth was in place to make this connection happen there was not adequate bandwidth to restore most of the service offerings to Maui and Hawaii. Other offers were made to carry portions of the Oceanic required bandwidth, both from Hawaiian Telecom and through a Southern Cross connection, however none of these alternative fibers had the capacity to carry the full complement of services for Oceanic Cable's needs.

A request was made to Sandwich Isles Communication for any available bandwidth that they may have to rectify the outage that was being experience by Oceanic's Maui and Big Island customers. Oceanic was and remains in need of 70 Giga Bits of bandwidth and SIC was the only fiber that was available to allow that capacity over a pair of fibers. The switch was made to the SIC fiber at 3:30 PM on July 27, 2010 at which time all services were restored to Maui and The Big Island. Oceanic remains operational on the SIC fiber connection until repairs are made to the original fiber that carried Oceanic's services and a fail over agreement is in process between Oceanic and SIC in order to avert future catastrophic failures of this nature.

Clearly without the help and assistance of SIC in this case, Oceanic would not have been able to restore services fully until a later day and time than was accomplished in that same day. Thank You for your assistance on that fateful day.

Sincerely,

A handwritten signature in dark ink, appearing to read "Norman Santos".

Norman Santos
Oceanic Time Warner Cable
Vice President – Technical Operations